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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement  
Senate Bill 520 and Address Other Matters  
Related to Provider of Last Resort.

R.21-03-011

**GOLDEN STATE POWER COOPERATIVE  
MOTION TO REMOVE ELECTRIC COOPERATIVES AS RESPONDENTS**

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***GOLDEN STATE POWER COOPERATIVE***

October 28, 2021

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MOTION TO REMOVE ELECTRIC COOPERATIVES AS RESPONDENTS**

In accordance with the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the Golden State Power Cooperative (GSPC) submits this motion to remove the state’s electric cooperatives – Anza Electric Cooperative, Plumas Sierra Rural Electric Cooperative, Surprise Valley Electrification Corporation, and Valley Electric Association (collectively, “electric cooperatives”) – as respondents to the proceeding. Golden State Power Cooperative is the association representing California’s electric cooperatives.

**I. INTRODUCTION**

This proceeding was opened to implement Senate Bill (SB) 520 (Hertzberg; 2019, Ch. 408),<sup>1</sup> and establish cost allocation and recovery for the provider of last resort (POLR), and further to establish a process to ensure that electrical service will be provided to customers without disruption in the event a load-serving entity (LSE) fails to provide or denies service to a retail end-use customer.<sup>2</sup> California’s electric cooperatives are not-for-profit and organized for the distinct purpose of transmitting or distributing electricity exclusively to their members at cost.<sup>3</sup> The Rulemaking designates the state’s investor-owned utilities (IOUs), community choice aggregators (CCAs), and electric service providers (ESPs) as respondents.<sup>4</sup> Additionally, the electric cooperatives are included in Appendix C as respondents to the proceeding.<sup>5</sup>

The electric cooperatives are distinguished from the other LSEs that are named as respondents to this proceeding, and appear to be included as respondents based solely on the fact

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<sup>1</sup> Cal. Pub. Util. Code (PUC) section 387; unless otherwise noted, all statutory references shall be to the PUC.

<sup>2</sup> Rulemaking, p. 1.

<sup>3</sup> PUC section 2776.

<sup>4</sup> Rulemaking, pp. 22, 25.

<sup>5</sup> Rulemaking, Appendix C, p. 3,

that they are LSEs on the service list for Rulemaking 16-02-007, and not based on the applicability of SB 520. As more fully set forth therein, good cause exists to remove the electric cooperatives as respondents to this proceeding.

## II. GROUNDS FOR MOTION

During the June 11, 2021 Prehearing Conference, GSPC asked to have the cooperatives removed as respondents to the proceeding.<sup>6</sup> As the request was not addressed in the Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo), dated September 16, 2021, GSPC submits this motion to restate its request to have the electric cooperatives removed as respondents.

The stated objectives for Phase 1 of this proceeding are to develop specific service requirements for a POLR to be able to provide uninterrupted service in the event of an unplanned migration from another LSE and develop a cost recovery framework for the POLR.<sup>7</sup> The Scoping Memo further explains that Phase 1 will “address POLR service requirements, cost recovery, and options to maintain Greenhouse Gas (GHG) emission reductions in the event of an unplanned customer migration to the POLR.”<sup>8</sup> Matters of cost recovery and cost allocation determined by the Commission are not applicable to the electric cooperatives. The Commission does not have rate-making authority over the cooperatives; PUC section 2777 specifically provides that the “*commission shall have no authority to establish rates or regulate the borrowing of money, the issuance of evidences of indebtedness, or the sale, lease, assignment, mortgage, or other disposal or encumbrance of the property of any electrical cooperative.*”<sup>9</sup> Unlike the IOUs, the Commission does not have authority over electric cooperative rate-setting, and as such, issues regarding POLR requirements, cost recovery, or cost allocation are not directly relevant to the electric cooperatives. Furthermore, unlike the IOUs, CCAs, and ESPs, the legislature and Commission recognized the unique nature of the electric cooperatives relevant to integrated resource planning (IRP), applying the IRP filing requirements only to cooperatives with an annual electrical demand exceeding 700 gigawatt hours (GWh), as determined on a three-year average commencing with January 1, 2013; all of the state’s electric cooperatives

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<sup>6</sup> See PHC Transcript, pp. 11-13.

<sup>7</sup> See Rulemaking, p. 16.

<sup>8</sup> Scoping Memo, p. 4.

<sup>9</sup> PUC section 2777, emphasis added.

currently fall far below this threshold.<sup>10</sup> Additionally, the cooperatives do not deny service to end-use customers; the cooperatives' customers are the owners of the utility, and the electric cooperatives were historically designed to provide service in areas in which the IOUs had failed to provide service.

Aside from being included in the list of respondents in Appendix C, the electric cooperatives are not elsewhere mentioned in the Rulemaking Order, nor included in Ordering Paragraph 6 that provides "All electrical corporations subject to Public Utilities Code Section 387 shall be respondents to this proceeding. All energy service providers and community choice aggregators shall also be respondents [sic] this proceeding."<sup>11</sup> The cooperatives are not listed as a POLR in PUC section 387. Nor are the IOUs the POLR for the electric cooperatives' service territory. The IOUs do not, and never have had the obligation to serve within the cooperatives service territory; as the electric cooperatives are not within the service territory of the IOUs, the IOUs are not the providers of last resort for the cooperatives' customers. Indeed, this was even acknowledged by Southern California Edison in their reply comments on the Rulemaking.<sup>12</sup>

The CCAs and ESPs do not provide electricity in the cooperatives service territories either. Direct access transactions are not authorized within the electric cooperatives service territories, and there are no ESPs operating therein. Additionally, there are no CCAs providing service in the service territories of any of the cooperatives. Since the electric cooperatives are not POLRs under the legislation and because they do not have CCAs or ESPs providing electricity in their service territories, the issues regarding the return of customers to the POLR are not germane to the electric cooperatives and they are therefore properly removed as respondents.

Neither are the electric cooperatives mentioned in the Scoping Memo. The Scoping Memo does address changes to the respondent list.<sup>13</sup> Specifically, the Scoping Memo granted the request of the California Association of Small and Multi-jurisdictional Utilities (CASMU) members to be removed as respondents to the proceeding, observing that the CASMU members

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<sup>10</sup> See PUC section 454.52, Decision 18-02-018.

<sup>11</sup> Rulemaking, p. 25, OP. 6.

<sup>12</sup> "The IOUs do not serve as POLRs for customers of cooperatives. [fn omitted]." Southern California Edison comments, dated May 10, 2021, p. 13.

<sup>13</sup> Scoping Memo, pp. 5-6.

have no LSE competition in their service areas.<sup>14</sup> Likewise, the electric cooperatives have no LSE competition in their service territories, which are already customer owned and locally governed. As such, the electric cooperatives should be removed as respondents to the proceeding.

Finally, GSPC notes that the recently released agenda for October 29, 2021 Phase 1 Workshop in this proceeding does not address nor include the electric cooperatives in the discussion.

Requiring the electric cooperatives to remain respondents to this proceeding, when they are neither listed as POLRs in PUC section 387, nor have LSE competition within their service territories, places an undue burden on these small utilities. Participation in this proceeding as respondents would be unduly burdensome and costly for the electric cooperatives. The Commission has recognized that the small IOUs face disproportionate impacts from administration of various proceedings; as even smaller entities that are solely customer-owned and funded, the electric cooperatives should not be required to participate in this proceeding as respondents.

### **III. CONCLUSION**

For the reasons set forth above, and as expressed during the June 11, 2021 prehearing conference, the Golden State Power Cooperative moves to have the electric cooperatives – Anza Electric Cooperative, Plumas Sierra Rural Electric Cooperative, Surprise Valley Electrification Corporation, and Valley Electric Association – removed as respondents to this proceeding.

Dated: October 28, 2021

Respectfully submitted,



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<sup>14</sup> Scoping Memo, p. 5.